

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** June 18, 2008  
**POSITION:** Oppose

**BILL NUMBER:** SB 623  
**AUTHOR:** P. Wiggins

### **BILL SUMMARY: Motor Fuel Advertising**

Existing law regulates the manner in which the price for motor fuel must be displayed in advertisements.

This bill would:

- Make numerous legislative findings and declarations, including the following:
  - Some gasoline stations are offering different prices for gasoline based on the method of purchase, and discounting the price per gallon for cash transactions to avoid fees charged by financial institutions on credit and debit card transactions.
  - Price differentials for fuel purchases are not adequately disclosed to the public.
- Provide that adequate notice of price differentials or discounts shall be provided at each fuel dispenser.
- Require the California Department of Food and Agriculture (CDFA) to prepare and promulgate regulations governing the differential price notices.

### **FISCAL SUMMARY**

Finance estimates the CDFA would incur presently unquantifiable, but potentially significant, General Fund costs to prepare and issue the regulations required by this bill.

To the extent that county Offices of Weights and Measures may ultimately be tasked with enforcing this bill's provisions, they may incur significant costs for which they would likely file mandate reimbursement claims. Although Finance does not believe the bill imposes a reimbursable mandate, since it does not require the provision of a new or higher level of service to the public, the Commission on State Mandates could find otherwise.

### **COMMENTS**

Finance opposes this bill for the following reason:

- This bill would result in General Fund costs not contained in the 2008-09 Governor's Budget.
- Stations offering discounts have every reason to make their customers aware of prices. Government regulation should not be required.

Analyst/Principal (0762) C. Hill	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved_____
			Position Disapproved_____

<b>BILL ANALYSIS</b>	Form DF-43 (Rev 03/95 Buff)
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**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

<b>AUTHOR</b>	<b>AMENDMENT DATE</b>
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**Form DF-43**  
**BILL NUMBER**

P. Wiggins

June 18, 2008

SB 623

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
8570/Food & Ag	SO	No		-----	See Fiscal Summary	-----			0001
9210/LocGovtFin	SO	No		-----	See Fiscal Summary	-----			0001